

# MOTOR FUELS UPDATE

DEPARTMENT OF REVENUE



Volume 8, Edition 4

Quarterly

October 1998

## ..... Congratulations .....

We are pleased to report that two of our staff received departmental recognition for their excellence. We are exceedingly proud of both of these individuals and fortunate that they are on our team.

NEBRASKA DEPARTMENT OF REVENUE  
Supervisor of the Year

**Marcia Leichner**, our Omaha Audit Supervisor, was honored as the ***"Supervisor of the Year."*** Marcia has been a part of our division since its inception and has served as one of two Motor Fuels Audit Supervisors since 1991. She currently supervises audit staff in Omaha and Lincoln.

NEBRASKA DEPARTMENT OF REVENUE  
Employee of the Year

**Deb Sheldon-Jesch** is the "voice-on-the-phone" that you or your customers hear when they are requesting refunds of tax. Deb received the department's ***"Employee of the Year"*** award. As our Audit Specialist, Deb recommends approval and processes all refund claims. In an average year, the number of claims she must process can easily approach 2,000.

We are also proud to announce the appointment of **Karen Rowley** as our new ***Audit Supervisor***. Karen is located in our Lincoln office and supervises our Kearney audit staff as well as being responsible for the processing of all ethanol production credit claims and general refund claims.

Karen is a nine-year employee of the Department of Revenue and has been with the Motor Fuels Division since September 1991.

## I N S I D E

■ ***Refunds***

■ ***Audits***

■ ***Schedule Codes 3 & 7***

■ ***Calendar***

# REFUNDS

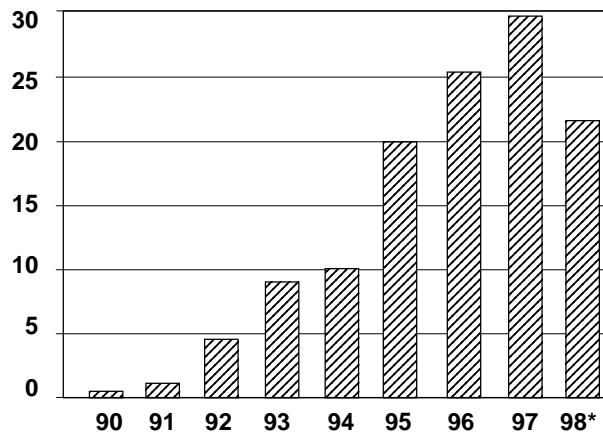
Refund claims processed during the period of July 1, 1997 through June 30, 1998 are summarized in this table. During this period, we processed 1,689 claims resulting in a total of \$1,827,071. During the previous fiscal year, we processed 2,060 claims resulting in a total refund of \$2,202,554.

## DOLLAR AMOUNT

	REFUNDED				
	Gas/Gasohol	PRF	Diesel	Aircraft	Total
Agriculture Related	\$4,553	\$0	\$95,868	\$0	<b>\$100,421</b>
Agriculture - Form 84	0	0	658,339	0	<b>658,339</b>
Blending Error	3,484	0	2,675	0	<b>6,159</b>
Construction	0	0	161,526	0	<b>161,526</b>
Equipment	0	0	25,155	0	<b>25,155</b>
Ethanol Production	0	74,772	0	0	<b>74,772</b>
Exported Fuel	20,045	9,158	364	0	<b>29,567</b>
Federal Government	77,013	390	21,763	927	<b>100,093</b>
Government	0	0	77,106	0	<b>77,106</b>
Home Heating	0	0	306	0	<b>306</b>
Native American	2,430	0	381	0	<b>2,811</b>
Reefer	0	0	164,344	0	<b>164,344</b>
Sand & Gravel, etc.	0	0	48,719	0	<b>48,719</b>
Other	3,286	514	373,715	238	<b>377,753</b>
<b>Totals</b>	<b>\$110,811</b>	<b>\$84,834</b>	<b>\$1,630,261</b>	<b>\$1,165</b>	<b>\$1,827,071</b>

The refund section of our division also processed claims for the Nebraska Ethanol Production Credit. These monthly claims establish the amount of the production credit earned by the ethanol producers and assigned by them to the

Millions



\*1/98 - 8/98

various Nebraska motor vehicle fuels tax licensees.

Ethanol production in Nebraska has dramatically increased over the past several years. By 1996, six plants were producing ethanol. As you know, ethanol producers receive a 20 cents per gallon credit on the first twenty-five million gallons of ethanol they produce in Nebraska each year. As shown in this graph, the corresponding credits have grown from just over one million dollars in 1990 to just under thirty million dollars in 1997. The 1998 credits through August of this year have already surpassed twenty million dollars. The total credits issued for 1998 are projected to be less than those allowed in 1997, as some ethanol plants reach the end of the period for which they are eligible for production credit.

This table shows the gallons and dollars reported on taxpayer returns. It does not reflect refunds, audits, etc.

Year	GASOLINE & GASOHOL		DIESEL	
	Gallons	Tax	Gallons	Tax
<b>1988</b>	772,194,253	\$131,693,157	188,052,766	\$33,780,707
<b>1989</b>	772,211,986	142,025,999	191,620,212	38,470,142
<b>1990</b>	763,623,635	148,015,125	189,764,993	41,410,055
<b>1991</b>	739,779,599	171,413,194	184,069,676	44,457,323
<b>1992</b>	756,633,169	167,247,079	204,081,641	47,123,036
<b>1993</b>	780,044,137	180,456,542	218,053,008	51,580,674
<b>1994</b>	756,064,292	179,494,240	228,490,205	55,638,287
<b>1995</b>	825,530,818	195,946,147	248,461,579	59,863,691
<b>1996</b>	823,709,762	205,852,173	257,268,846	65,652,081
<b>1997</b>	836,837,567	202,761,093	288,032,081	71,182,594

## AUDITS

These tables summarize the audits completed by our auditors since Motor Fuels Division's inception in July 1991. The large increase in dollars assessed in 1993/1994 for both gasoline and diesel resulted from one audit.

### NUMBER OF AUDITS BY TAX PROGRAM BY FISCAL YEAR

Tax Program	91/92	92/93	93/94	94/95	95/96	96/97	97/98
Consumer's Use	0	8	7	8	13	6	0
Liquid Fuel Carriers	0	0	0	0	2	4	5
Motor Vehicle Fuels	1	8	38	36	45	45	63
PRF	0	2	25	21	26	34	41
Aircraft Fuels	0	1	7	5	6	9	15
Compressed Fuels	0	0	0	2	13	13	19
Gas Tax Credit	0	8	6	4	6	6	2
Retailers	0	0	0	0	8	13	12
Sp Fuels/Diesel	9	50	65	64	63	56	62

### TAX ASSESSED BY FISCAL YEAR

Tax Program	91/92	92/93	93/94	94/95	95/96	96/97	97/98
Consumer's Use	\$0	\$12,405	(\$50)	(\$21,629)	\$118,906	\$14,029	\$0
Liquid Fuel Carriers	0	0	0	0	0	0	0
Motor Vehicle Fuels	0	63,907	1,102,737	53,849	44,959	225,560	312,496
PRF	0	1,684	20,993	26,173	92,732	10,840	7,657
Aircraft Fuels	0	0	3,604	0	(1,386)	919	(405)
Compressed Fuels	0	0	0	0	0	10,908	705
Gas Tax Credit	0	6,685	(132)	3,318	12,145	(191,385)	66
Retailers	0	0	0	0	0	0	(3,590)
Sp Fuels/Diesel	41,409	80,864	1,676,642	275,150	284,521	184,519	56,892
<b>Totals</b>	<b>\$41,409</b>	<b>\$165,545</b>	<b>\$2,803,794</b>	<b>\$336,861</b>	<b>\$551,877</b>	<b>\$255,390</b>	<b>\$373,821</b>

## INSTRUCTION CHANGES IN REPORTING IMPORTS AND EXPORTS

### Motor Fuels Multiple Schedule of Receipts, Form MFR, Schedule Code 3

The current instructions to **subtotal by carrier** are being changed to **subtotal by the seller**.

You are to subtotal as follows:

- ✓ Each separate seller (columns 5 & 6); and
- ✓ By state in which you received the fuel. If the product was received at a pipeline terminal, list the terminal number.

Columns 5 & 6 should reflect the name and FEIN from whom you purchased the fuel.

### Motor Fuels Multiple Schedule of Disbursements, Form MFD, Schedule Code 7

- ✓ **Subtotaling by carrier is not necessary.** You are to report each separate export by completing the appropriate columns. Schedules will only reflect one product code. Column 4 (destination) should reflect the state to which the product was exported.

Columns 5 & 6 should reflect the name and FEIN to whom you sold the fuel.

**These instruction changes are effective with January 1999 returns.**

**Exceptions:** If the fuel is withdrawn from or exported to your own storage that is located in another states' pipeline storage or your own personal storage facility, indicate your own name and FEIN in columns 5 & 6. Also, you may accumulate and report on one line all exports to end users. See instructions on Form MFD. Taxpayers filing electronically do not subtotal.

If you have any questions or concerns, please contact your account representative.

# C A L E N D A R

## MONTHLY

- 20** **Form 80**, Nebraska Motor Fuels Carrier Report  
**Form 81**, Nebraska Motor Vehicle Fuels Tax Return  
**Form 82**, Nebraska Petroleum Release Remedial Action Fee Return  
**Form 85**, Nebraska Aircraft Fuels Tax Return  
**Form 86**, Nebraska Compressed Fuel Retailer Return  
**Form 91**, Nebraska Diesel Fuel Return

## OCTOBER

- 20** **Form 74**, Nebraska Motor Fuels Consumer's Use Tax Return  
**Form 86**, Nebraska Compressed Fuel Retailer Return

## JANUARY

- 20** **Form 74**, Nebraska Motor Fuels Consumer's Use Tax Return  
**Form 86**, Nebraska Compressed Fuel Retailer Return

## MOTOR FUELS TAX

The Nebraska motor fuels tax for July 1, 1998 through December 31, 1998 is **23.5 cents** per gallon.



## FOR MOTOR FUELS TAXPAYER ASSISTANCE

Call your account representative or toll free 1-800-554-FUEL

(1-800-554-3835).

Lincoln residents call 471-5730.

For \*TT (Text Telephone), dial 1-800-382-9309.



\*Telecommunication Device for the Deaf (TDD) is designated by the use of "TT," which is consistent with the Americans with Disabilities Act.

## OR CONTACT:

Motor Fuels Division  
301 Centennial Mall South  
P.O. Box 98904  
Lincoln, NE 68509-8904

<http://www.nol.org/revenue/fuels/fuels.htm>

*If you have received a duplicate mailing or would like to subscribe, please call 1-800-554-3835*

Published Quarterly by the  
Motor Fuels Division  
P.O. Box 98904  
Lincoln, NE 68509-8904



P.O. Box 98904  
Lincoln, Nebraska 68509-8904

*Subscriptions are free*

Motor Fuels Division Administrator  
Janet Stege